

Comments Received May 27-June 9, 2006

Comment:

I am one of three partners with Guarantee Mortgage located in Portland doing loans in the state of Oregon & Washington. What steps do we need to take to have all our loan officer's be in compliance come January '07?

Also, does our 20 hours of continuing education classes we are currently taking in Oregon transfer over to Washington's?

Comment:

I was told Washington State will start requiring home loan officers to be licensed. Where would I find information about that? I think it is very good that licensing will be required.

Comment:

I am the licensing specialist at Carteret Mortgage and WA is one of the states I manage. Carteret Mortgage Corporation currently holds a Business License UBI # 602067284 and has been exempt in your state from being required to have the Broker and Loan Officer Licenses.

In reading the document titled *Washington State Passes Bill Making Mortgage Brokers—the Only State Licensed Loan Originators* about the recent passing of loan officer licensing House Bill 2340, Can you please clarify how this will impact our current status with WA? Will we be required to license our in and out of state branches and loan officers beyond the Business License we already have with WA?

Comment:

Good morning. In the upcoming L/O licensing requirement. do Branch Managers and Brokers that originate loans need to be licensed?

Comment:

I have recently read through the draft of rules as posted on the DFI web site and would like to comment on the question and answer on page 24 and repeated on page 30. The document ID is MBWACv20060601.

Question:

How many clock hours of designated broker (loan originator) continuing education do I need?

Answer:

The continuing education requirement will be in the form of approved courses. The individual clock hours may vary. A designated broker must complete three courses annually.

Comment:

I am concerned about the vagueness of this requirement. Human nature being what it is, licensees will quickly gravitate to the lowest cost/fastest solution for their certificate. It is important to set some kind of benchmark that both the provider and approving authority can use as a standard and agree on what constitutes an approvable course. A classroom program may be easier to quantify but there could still be a wide range of time frames on the same topic -- as little as half an hour to as much as the provider chooses.

For distance learning options, there is even more reason to establish a standard. The approving entity should know what the state wants to see and be able to convert that to a quantifiable, objective review. It could require learning objectives to substantiate the hours, or number of pages, or time on the computer, and evidence of mastery. But this language seems to open the door to a wide range of interpretation, with the lowest common denominator doing the bulk of the training.

This is exactly what the Commission is attempting to correct.

I hope the sub-panel can assist the approving authority in developing an objective requirement. Clock hours are the most universally used among other states that have mortgage education requirements and a 50-minute hour is typical.

Comment:

1. Will loan officers that are treated as 1099's need to be licensed under the revised rules?
2. Will mortgage brokers, who are already licensed by the state, need to take the exam, etc?